

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

<hr/>	:	CHAPTER 11
	:	
EARTH PRIDE ORGANICS, LLC	:	Bky No. 17-13816(ELF)
LANCASTER FINE FOODS, INC.	:	
	:	
Debtors	:	JOINTLY ADMINISTERED
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**TWELFTH INTERIM ORDER AUTHORIZING THE USE OF
CASH COLLATERAL AND THE GRANT OF ADEQUATE PROTECTION**

AND NOW, this _____ day of _____, 2018, upon consideration of the Motion of Earth Pride Organics, LLC and Lancaster Fine Foods, Inc. (collectively, the “Debtors”) for Entry of an Order, Pursuant to 11 U.S.C. § 363(c) and Fed.R.Bankr.P. 4001, Authorizing Debtors to Use Cash Collateral and Provide Adequate Protection (the “Motion”), and after notice and hearing and the consent of parties as set forth in Paragraph 2, it is hereby **ORDERED** that:

1. The Debtors are authorized to use “cash collateral” as that term is defined in § 363(a) of the Bankruptcy Code (“Cash Collateral”) during the period from the date of the commencement of their Chapter 11 cases (the “Petition Date”) through January 27, 2018 pursuant to the Budget approved herein.

2. The Debtors’ use of Cash Collateral may be extended for an additional two (2) weeks upon filing with the Court an Amended Budget which has been approved by the Debtor, the Lender (as defined below), Loeb Term Solutions LLC, and the Official Committee of Unsecured Creditors (the “Committee”).

3. The Debtors’ use of Cash Collateral through January 27, 2018, shall be for the purposes of paying all reasonable and necessary expenses related to the operation of their businesses, including all trust fund payroll and sales taxes, in accordance with the Budget attached to this Order as Exhibit “A.” It is understood that Mike Thompson will not be taking a salary or other form of compensation for the length of this order.

4. To the extent of any diminution in value of the pre-petition Cash Collateral of Change Capital Partners Fund I, LLC and Midtown Capital Partners, LLC (the “Lender”), the Lender are hereby granted valid, binding, enforceable and perfected post-petition replacement liens on the Debtors’ assets which are created, acquired, or arise after the Petition Date, but limited to only those types and descriptions of collateral, in which the Lender holds a pre-petition lien or security interest (the “Replacement Liens”) and only to the extent of those pre-petition liens. The Replacement Liens shall have the same priority and validity as the Lender’s pre-petition security interests and liens.

5. To the extent of any diminution in value of the pre-petition Cash Collateral of Loeb Term Solutions LLC (“Loeb”), Loeb is hereby granted valid, binding, enforceable and perfected post-petition replacement liens on the Debtors’ assets which are created, acquired, or arise after the Petition Date, but limited to only those types and descriptions of collateral in which the Lender holds a pre-petition lien or security interest (the “Replacement Liens”). The Replacement Liens shall have the same priority and validity as Loeb’s pre-petition security interests and liens.

6. To the extent the cash collateral use approved hereunder results in the Debtors’ using, in the operation of their businesses, machinery and equipment that is subject to liens and security interests in favor of Lender and Loeb, the Debtors agree to maintain customary insurance policies on, and to continue to maintain and repair, all such machinery and equipment, all consistent with the practices and policies that the Debtors followed prior to the bankruptcy filings.

7. This Order authorizing the use of Cash Collateral shall be sufficient and conclusive evidence of the validity of the Lender’s or Loeb’s Replacement Liens upon the Debtors’ post-petition Cash Collateral without the necessity of filing or recording by the Lender or Loeb of any financing statements, or other documents which may otherwise be required under the laws of any jurisdiction or the taking of any action to validate or protect the post-petition replacement security interests and liens granted to the Lender or Loeb by this Order.

8. This Order is without prejudice to the rights of the Debtors, their creditors, the Committee, any trustee appointed herein, or other parties in interest, to contest the validity, extent or priority of any rights granted to the Lender or Loeb by any pre-petition loan agreement or any security interest arising out of or related to any such pre-petition loan agreement.

9. This Order is without prejudice to the rights of any party in interest to seek any further or different relief after the expiration of this interim period or modification of this Order.

10. A further hearing to consider whether the Debtors' use of Cash Collateral shall be held on **January 24, 2018 at 11:00 a.m. before the Honorable Eric L. Frank, Chief United States Bankruptcy Judge, in Courtroom No. 1, Robert N.C. Nix Sr. Federal Building, 900 Market Street, Philadelphia, PA 19107.**

11. A copy of this Order shall be served on or before December _____, 2017, by Debtors' counsel upon (i) counsel for the Official Committee of Unsecured Creditors, (ii) the Office of the United States Trustee, (iii) all parties who have timely filed requests for notices under Bankruptcy Rule 2002, (iv) counsel for the Lender, (v) counsel for Loeb; and (vi) all other parties known to the Debtors to have liens on or a security interest in Cash Collateral.

ERIC L. FRANK,
CHIEF U.S. BANKRUPTCY JUDGE

Lancaster Fine Foods & Earth Pride Organi
Weekly Cash Flow

Week Ending	Budget 1/20/2018	Budget 1/27/2018	Total
BEGINNING CASH BALANCE	\$ 73,757	\$ 62,501	\$ -
<u>Receipts</u>			
Accounts Receivable	260,000	200,000	8,537,645
Intercompany Receivable	42,500	42,500	884,695
Other Cash Receipts	-	-	-
Total Receipts	302,500	242,500	9,422,340
<u>Disbursements</u>			
Material	80,000	120,000	3,810,959
Supplies	3,000	3,000	43,200
Payroll and Payroll Taxes	98,000	-	1,821,000
Maintenance and Repair	5,000	5,000	356,500
Sanitation	1,000	1,000	19,000
Quality Assurance	4,000	4,000	61,000
Equip. Rental	2,000	2,000	32,294
Electric	-	8,500	59,500
Benefits	15,000	5,000	165,000
Rent	-	-	594,000
Computer Expense	38,456	-	136,143
Insurance	21,000	-	147,000
Office Supplies	2,000	2,000	22,950
Logistics	1,500	1,500	42,000
Telephone	-	2,000	16,000
Tools	200	200	6,000
Trash	-	4,000	31,500
Utilities	-	8,200	65,600
Travel Expense	100	100	2,700
Intercompany	42,500	42,500	884,695
Legal Fees	-	-	197,000
PACA	-	-	20,000
Professional Fees	-	-	114,000
US Trustee Fee	-	-	12,500
Other	-	-	116,500
Total Disbursements	313,756	209,000	8,777,041
Change in Cash	(11,256)	33,500	645,299
Net Available Before Financing	62,501	96,001	645,299
Payment to Lender (AP)	-	-	(315,500)
Payment to Lender (AP) LTS	-	-	(95,000)
Interest and Fees	-	-	(900)
Total Financing	-	-	(411,400)
ENDING CASH BALANCE	\$ 62,501	\$ 96,001	\$ 74,472
	\$ 62,501	\$ 96,001	

Lancaster Fine Foods, Inc.
Weekly Cash Flow

Week Ending	Budget 1/20/2018	Budget 1/27/2018	Total
BEGINNING CASH BALANCE	\$ 99,800	\$ 88,500	\$ -
<u>Receipts</u>			
Accounts Receivable	230,000	200,000	8,137,145
Intercompany Receivable	-	-	-
Other Cash Receipts	-	-	-
Total Receipts	230,000	200,000	8,137,145
<u>Disbursements Category or Vendor</u>			
Material	80,000	120,000	3,810,959
Supplies	3,000	3,000	43,200
Payroll and Payroll Taxes	85,000	-	1,547,000
Maintenance and Repair	5,000	5,000	356,500
Sanitation	1,000	1,000	19,000
Quality Assurance	4,000	4,000	61,000
Equip. Rental	2,000	2,000	32,294
Electric	-	-	-
Benefits	15,000	-	120,000
Rent	-	-	-
Computer Expense	-	-	-
Insurance	-	-	-
Office Expense/Supplies	2,000	2,000	22,950
Logistics	1,500	1,500	42,000
Telephone	-	-	-
Tools	200	200	6,000
Trash	-	-	-
Utilities	-	-	-
Travel Expense	100	100	2,700
Intercompany	42,500	42,500	884,695
Legal Fees	-	-	197,000
PACA	-	-	20,000
Professional Fees	-	-	114,000
US Trustee Fee	-	-	12,500
Other	-	-	116,500
Total Disbursements	241,300	181,300	7,408,298
Change in Cash	(11,300)	18,700	728,847
Net Available Before Financing	88,500	107,200	728,847
Payment to Lender (AP)	-	-	(315,500)
Payment to Lender (AP) LTS	-	-	(95,000)
Interest and Fees	-	-	-
Total Financing	-	-	(410,500)
ENDING CASH BALANCE	\$ 88,500	\$ 107,200	\$ 130,272

Earth Pride Organic's LLC
Weekly Cash Flow

Week Ending	Budget 1/20/2018	Budget 1/27/2018	Total
BEGINNING CASH BALANCE	\$ (25,043)	\$ (25,999)	\$ -
<u>Receipts</u>			
Accounts Receivable	30,000	-	400,500
Intercompany Receivable	42,500	42,500	884,695
Other Cash Receipts	-	-	-
Total Receipts	72,500	42,500	1,285,195
<u>Disbursements</u>			
Material	-	-	-
Supplies	-	-	-
Payroll and Payroll Taxes	13,000	-	274,000
Maintenance & Repair	-	-	-
Sanitation	-	-	-
Quality Assurance	-	-	-
Equipment Rental	-	-	-
Electric	-	8,500	59,500
Benefits	-	5,000	45,000
Rent	-	-	594,000
Computer Expense	38,456	-	136,143
Insurance	21,000	-	147,000
Office Supplies	-	-	-
Logistics	-	-	-
Telephone	-	2,000	16,000
Tools	-	-	-
Trash	-	4,000	31,500
Utilities	-	8,200	65,600
Travel Expense	-	-	-
Intercompany	-	-	-
Legal Fees	-	-	-
PACA	-	-	-
Professional Fees	-	-	-
US Trustee Fee	-	-	-
Other	-	-	-
Total Disbursements	72,456	27,700	1,368,743
Change in Cash	44	14,800	(83,548)
Net Available Before Financing	(25,999)	(11,199)	(83,548)
Payment to Lender (AP)	-	-	-
Payment to Lender (AP) LTS	-	-	-
Interest and Fees	-	-	(900)
Total Financing	-	-	(900)
ENDING CASH BALANCE	\$ (25,999)	\$ (11,199)	\$ (34,650)

Lancaster Fine Foods & Earth Pride Organics
Consolidated Collateral Schedule

Budget	Budget
1/20/2018	1/27/2018

Projected Accounts Receivable:

Consolidated Beginning Balance	515,000	385,000
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Add:	Sales	100,000	265,000
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Less:	Collections	(230,000)	(200,000)
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Ending Accounts Receivable	385,000	450,000
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Projected Inventory

Ending Weekly Balance	900,000	900,000
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Total AR & Inventory Collateral	1,285,000	1,350,000
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Projected Accounts Payable: Post Petition Only	200,000	200,000
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Accounts Payable: Prepetition	4,556,000	4,556,000
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